



26 | the independent hospital district to serve on the  
 27 | board of the succeeding nonprofit entity; requiring  
 28 | disclosure of all conflicts of interest; requiring  
 29 | certain documents to be published on the websites of  
 30 | the district and each county that is a party to the  
 31 | agreement for a specified timeframe; authorizing the  
 32 | governing body of the independent hospital district to  
 33 | approve by supermajority vote the conversion of the  
 34 | district to a nonprofit entity; requiring each board  
 35 | of commissioners for each affected county to approve  
 36 | the agreement at a public meeting; requiring a  
 37 | referendum under certain circumstances; requiring the  
 38 | independent hospital district to file a copy of the  
 39 | agreement with and provide certain notification to the  
 40 | Department of Commerce within a specified timeframe;  
 41 | providing for dissolution of the district within a  
 42 | specified timeframe; requiring independent hospital  
 43 | districts to conduct an evaluation for certain  
 44 | purposes; providing evaluation requirements; providing  
 45 | an effective date.

46 |  
 47 | Be It Enacted by the Legislature of the State of Florida:

48 |  
 49 | Section 1. Section 189.0762, Florida Statutes, is created  
 50 | to read:

51 189.0762 Conversion of an independent hospital district to  
 52 a nonprofit entity.—

53 (1) For purposes of this section, the term:

54 (a) "Independent hospital district" means an entity  
 55 created pursuant to a special act which operates one or more  
 56 hospitals licensed under chapter 395 and is governed by the  
 57 governing body of a special district or by the board of trustees  
 58 of a public health trust created under s. 154.07.

59 (b) "Nonprofit entity" means a Florida not-for-profit  
 60 corporation operating under chapter 617.

61 (2) The governing body of an independent hospital district  
 62 may elect, by a majority vote plus one, to commence an  
 63 evaluation of the benefits to the residents of the district of  
 64 converting the independent hospital district to a nonprofit  
 65 entity if the governing body of the district and each county  
 66 within which any part of the district's boundaries are located  
 67 execute an agreement that meets the requirements of subsection  
 68 (5). In evaluating the benefits of converting the independent  
 69 hospital district to a nonprofit entity, the governing body of  
 70 the district must:

71 (a) Publish notice of and conduct a public meeting in  
 72 accordance with s. 189.015(1) to provide the residents of the  
 73 district with the opportunity to publicly testify regarding the  
 74 conversion. The public hearing must be held at a meeting other  
 75 than a regularly noticed meeting or an emergency meeting of the

76 independent hospital district.

77 (b) Contract with an independent entity that has at least  
78 5 years of experience conducting comparable evaluations of  
79 hospital organizations similar in size and function to the  
80 independent hospital district to conduct the evaluation  
81 according to applicable industry best practices. The independent  
82 entity may not have any affiliation with or financial  
83 involvement in the district or with any member of the governing  
84 body of the district.

85 (c) Publish all documents considered by the governing body  
86 of the independent hospital district on the website of the  
87 district.

88 (3) The evaluation must be completed and a final report  
89 presented to the governing body of the independent hospital  
90 district no later than 180 days after the date on which the vote  
91 is taken by the governing body of the district to evaluate the  
92 conversion. The final report shall be published on the  
93 district's website. The final report must include a statement  
94 signed by the presiding officer of the governing board of the  
95 independent hospital district and the chief executive officer of  
96 the independent entity conducting the evaluation that, based on  
97 each person's reasonable knowledge and belief, the contents and  
98 conclusions of the evaluation are true and correct.

99 (4) No later than 120 days after the date on which the  
100 governing body of the independent hospital district receives the

101 final report, the governing body of the district must determine,  
102 by a majority vote plus one, whether the interests of the  
103 residents of the district are best served by converting the  
104 independent hospital district to a nonprofit entity. If the  
105 governing body of the district determines conversion is in the  
106 best interests of its residents, the independent hospital  
107 district must negotiate and complete an agreement with the board  
108 of county commissioners for each county in which any part of the  
109 district's boundaries are located before conversion may occur.

110 (5) An agreement between the governing body of the  
111 independent hospital district and each county in which any part  
112 of the district's boundaries are located must be completed no  
113 later than 120 days after the date on which the public meeting  
114 is held to determine if conversion of the district is in the  
115 best interests of its residents. The agreement must be in  
116 writing, dispose of all assets and liabilities of the  
117 independent hospital district, and include:

118 (a) A description of each asset that will be transferred  
119 to each county.

120 (b) A description of each liability that will be  
121 transferred to each county.

122 (c) The estimated total value of the assets that will be  
123 transferred to each county.

124 (d) The estimated total value of the liabilities that will  
125 be transferred to each county.

126 (e) If the agreement is with more than one county, a  
127 description of the methodology used to allocate the assets and  
128 liabilities of the district between the counties.

129 (f) A description of all assets that will be transferred  
130 to the succeeding nonprofit entity.

131 (g) A description of all liabilities that will be assumed  
132 by the succeeding nonprofit entity.

133 (h) The estimated total value of the assets that will be  
134 transferred to the succeeding nonprofit entity.

135 (i) The total value of the liabilities to be assumed by  
136 the succeeding nonprofit entity.

137 (j) If any debts remain, how those debts will be resolved.

138 (k) An enforceable commitment that programs and services  
139 provided by the district will continue to be provided to all  
140 residents of the former district in perpetuity so long as the  
141 succeeding nonprofit entity is in operation or, if otherwise  
142 agreed to by the independent hospital district and each county  
143 that is a party to the agreement, until the succeeding nonprofit  
144 entity has otherwise met all obligations set forth in the  
145 agreement.

146 (l) A provision transferring the rights and obligations as  
147 agreed to by the governing body of the independent hospital  
148 district and each county that is a party to the agreement to the  
149 succeeding nonprofit entity.

150 (m) Any other terms mutually agreed to by the governing

151 body of the independent hospital district and each county that  
152 is a party to the agreement.

153 (6) (a) A member of the board of commissioners for any  
154 county that is a party to the agreement may not serve on the  
155 board of the succeeding nonprofit entity.

156 (b) A member of the governing body of the independent  
157 hospital district may serve on the board of the succeeding  
158 nonprofit entity.

159 (7) The members of the governing body of the independent  
160 hospital district and the board of commissioners for each county  
161 that is a party to the agreement must disclose all conflicts of  
162 interest as required by s. 112.313, including, but not limited  
163 to:

164 (a) Whether the conversion of the independent hospital  
165 district will result in a special private gain or loss to any  
166 member of the governing body of the independent hospital  
167 district or boards of commissioners for the affected counties or  
168 to any senior executive of the independent hospital district.

169 (b) If any member of the governing body of the independent  
170 hospital district will serve on the board of the succeeding  
171 nonprofit entity. Such intent to serve on the board of the  
172 succeeding nonprofit entity does not disqualify any member from  
173 voting on the proposed conversion.

174 (8) The evaluation, agreements, disclosures, and any other  
175 supporting documents related to the conversion of the

176 independent hospital district must be published on the  
177 district's website and the website of each county that is a  
178 party to the agreement under subsection (5) for 45 days before  
179 the governing body of the independent hospital district and the  
180 board of commissioners for each county that is a party to the  
181 agreement may vote on the proposed conversion.

182 (9)(a) In a public meeting noticed as required pursuant to  
183 subsection (2), the governing body of the independent hospital  
184 district may approve, by a majority vote plus one, the  
185 conversion of the district to a nonprofit entity and any  
186 agreements related to the conversion.

187 (b) The agreement negotiated under subsection (5) must be  
188 approved by each board of commissioners for each affected county  
189 in a properly noticed public meeting.

190 (c) If the governing body of the independent hospital  
191 district and the board of commissioners for each affected county  
192 approve the proposed agreement, and the district exercises ad  
193 valorem taxing powers, a referendum of the qualified electors of  
194 the district must be conducted at the next general election as  
195 required pursuant to s. 100.031. A referendum is not required  
196 for independent hospital districts that have not levied,  
197 collected, or received ad valorem taxes in the current fiscal  
198 year and the previous 5 fiscal years.

199 (d) If approved by the qualified electors of the  
200 independent hospital district voting in a referendum conducted



201 in accordance with paragraph (c), the agreement between the  
202 independent hospital district and the board of commissioners for  
203 each affected county shall be in full force and effect. The  
204 independent hospital district shall file a copy of the agreement  
205 with the department no later than 10 days after the date on  
206 which the referendum approving the agreement and conversion  
207 occurs.

208 (10) No later than 30 days after the complete transfer of  
209 assets and liabilities as provided in the agreement under  
210 subsection (5), the independent hospital district shall notify  
211 the department. The district shall be dissolved automatically  
212 upon receipt of the notice by the department.

213 (11) If the governing body of the independent hospital  
214 district and the board of commissioners for each county that is  
215 a party to the agreement are unable to reach an agreement that  
216 would result in the conversion of the independent hospital  
217 district to a nonprofit entity, the district shall continue in  
218 existence.

219 Section 2. (1) Each independent hospital district, as  
220 defined in s. 189.0762(1), Florida Statutes, shall cause to be  
221 conducted an evaluation of the benefits to the residents of the  
222 district of converting the independent hospital district to a  
223 nonprofit entity as defined in s. 189.0762(1), Florida Statutes,  
224 or transacting a sale to a for-profit entity, including, but not  
225 limited to, a complete financial valuation of the assets and

226 liabilities of the independent hospital district.

227 (2) The evaluation must be conducted by an independent  
228 entity that has at least 5 years of experience conducting  
229 comparable evaluations of hospital organizations similar in size  
230 and function to the independent hospital district and that has  
231 no affiliation with or financial involvement in the district or  
232 with any member of the governing body of the district. The  
233 independent entity must conduct the evaluation according to  
234 applicable industry best practices.

235 (3) The evaluation must include a statement signed by the  
236 chief executive of the district that, upon his or her reasonable  
237 knowledge and belief, the evaluation is true and correct.

238 (4) The financial valuation must be conducted by an  
239 independent certified public accountant and must include a  
240 statement signed by the accountant that, upon his or her  
241 reasonable knowledge and belief, the valuation is true and  
242 correct.

243 (5) Each district shall complete its evaluation by  
244 December 31, 2024, and publish the evaluation on its website  
245 within 30 days after completion.

246 Section 3. This act shall take effect July 1, 2024.